

## Message Text

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ORIGIN EB-08

INFO OCT-01 EA-10 ISO-00 ARA-10 AID-05 CIAE-00 COME-00  
FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02  
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 L-03 H-01  
NSC-05 SS-15 STR-07 CEA-01 PA-01 IO-13 OIC-02  
/119 R

DRAFTED BY STATE:EB/IFD/ODF:R.JONES  
APPROVED BY ARA/ECP: SHROGERS  
TREAS:I/IDN:F.MARESCA  
TREAS:SE:PSBRIDGES  
TREAS:I/ID:A.NACHMANOFF  
EA/J:HCOCHRAN

-----065778 270856Z /17

R 262209Z APR 78  
FM SECSTATE WASHDC  
TO AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: ETRD, IDB, JA

SUBJECT: BILATERAL WITH JAPAN AT THE IDB MEETING

1. AT THE REQUEST OF THE JAPANESE, DEPUTY SECRETARY OF THE  
TREASURY CARSWELL MET WITH VICE MINISTER MATSUKAWA AT THE  
ANNUAL MEETING OF THE INTER-AMERICAN DEVELOPMENT BANK(IDB)  
IN VANCOUVER ON APRIL 18.

2. MR. MATSUKAWA FIRST RAISED THE POSSIBILITY OF U.S.  
SUPPORT FOR A THIRD EXECUTIVE DIRECTOR FOR THE NONREGIONAL  
MEMBERS OF THE IDB. MR. CARSWELL REPLIED THAT IF THE  
NONREGIONAL MEMBERS INCREASED THEIR SHARE OF THE IDB'S  
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FUNDING THIS MIGHT BE POSSIBLE, BUT S-NC. THEY ONLY  
CURRENTLY CONTRIBUTE 4.2 PERCENT IT WOULD BE DIFFICULT TO  
GIVE THEM AN ADDITIONAL EXECUTIVE DIRECTOR WITHOUT CREATING  
PRESSURE FOR MORE DIRECTORSHIPS AMONG THE OTHER MEMBERS AS  
WELL. THIS COULD CREATE DECISION-MAKING PROBLEMS IN THE  
BOARD. A POSSIBLE ALTERNATIVE WOULD BE TO ALLOW THE  
NONREGIONALS EXECUTIVE DIRECTORS ANOTHER TECHNICAL

ASSISTANT. MR. MATSUKAWA SAID HE REALIZED THAT THIS ISSUE WOULD NOT BE DECIDED IN VANCOUVER BUT HE HOPED THAT THE U.S. WOULD CONSIDER HIS REQUEST IN THE FUTURE.

3. MR. MATSUKAWA THEN BROUGHT UP THE FEBRUARY/MARCH INCREASE IN JAPANESE EXPORT STATISTICS. HE SAID THE INCREASES WERE GREATER THAN THE JAPANESE HAD EXPECTED AND WERE DUE TO THE:

-- DESIRE BY EXPORTERS TO AVOID THE EFFECTS OF FUTURE APPRECIATION OF THE VALUE OF THE YEN,

-- DESIRE TO AVOID THE INCREASE IN FREIGHT CHARGES IN THE PACIFIC,

-- FEAR OF A POSSIBLE LONGSHOREMAN'S STRIKE IN THE U.S. THIS JUNE,

-- PRIOR RUMORS OF THE RECENTLY ANNOUNCED EXPORT CONTROLS.

4. MR. MATSUKAWA TOLD MR. CARSWELL THAT HE HAD JUST RECEIVED FROM TOKYO THE EXPORT STATISTICS FOR THE FIRST TEN DAYS OF APRIL. HE TERMED THEM REMARKABLE, ESPECIALLY THE FIGURES FOR EXPORTS OF AUTOMOBILES. HE ADDED THAT ANOTHER GOOD SIGN WAS THAT THE DOLLAR AND THE U.S. STOCK MARKET WERE UP. THERE WAS STILL HOWEVER MUCH UNCERTAINTY LIMITED OFFICIAL USE

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IN EXCHANGE MARKETS AND JAPANESE EXPORTS REMAINED HIGH SO THAT VIGILANCE WAS NECESSARY.

5. MR. CARSWELL AGREED THAT THERE WOULD BE DIFFICULTIES BETWEEN THE U.S. AND JAPAN AS LONG AS THE BILATERAL TRADE STATISTICS REMAINED AS THEY HAVE BEEN. IN THIS REGARD HE STRESSED TO MR. MATSUKAWA THAT THE JAPANESE SHOULD REMEMBER THAT BY ASKING THE ADMINISTRATION TO BE LENIENT IN OUR APPLICATION OF U.S. TRADE LAWS THEY RUN THE RISK OF GREATER DAMAGE TO THEMSELVES BY STIMULATING GREATER CONGRESSIONAL INTEREST IN MORE RESTRICTIVE LEGISLATION. VANCE

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NNN

## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
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**Subject:** BILATERAL WITH JAPAN AT THE IDB MEETING  
**TAGS:** ETRD, PORG, JA, IDB  
**To:** TOKYO  
**Type:** TE  
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